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SUBJECT: Codel Gillmor Discusses WTO, Human Rights, Fullest Possible Accounting with Deputy Prime Minister Vu Khoan and National Assembly Leaders

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11. (U) Summary and Comment: Members of Codel Gillmor met January 17 with National Assembly (NA) Foreign Affairs Committee Chairman Vu Mao, Deputy Prime Minister Vu Khoan and National Assembly President Nguyen Van An to discuss bilateral relations, including Vietnam's WTO aspirations, trade relations, human rights and fullest possible accounting for MIAs. DPM Vu Khoan urged the Congress to grant Permanent Normal Trade Relations to Vietnam and lift Jackson-Vanik. The Codel expressed gratitude for GVN assistance in MIA accounting activities and pressed for permission for U.S. Navy ships to take part in underwater recovery activities and to continue activities in the Central Highlands. Codel members also urged Vietnam to improve its human rights record and address specific trade concerns of the United States, such as dairy and catfish products. Although the meetings were generally positive, National Assembly President An struck a discordant tone with his criticism of "too-high U.S. WTO conditions." End Summary and Comment.

National Assembly Foreign Affairs Committee Chairman Vu Mao

12. (SBU) Representatives Paul Gillmor (R-OH), Sam Johnson (R-TX), Jerry Costello (D-IL), Dennis Kucinich (D-OH), Kay Granger (R-TX), Greg Walden (R-OR) and Bobby Jindal (R-LA), together with accompanying Codel staff, met January 17 with National Assembly Foreign Affairs Committee Chairman Vu Mao. Vu Mao brought several other members of the U.S.-Vietnam Friendship Caucus of the National Assembly with him to the meeting. The Ambassador and PolOff were also present. Congressman Gillmor thanked Vietnam for the contributions the GVN and the Vietnamese people made to the American victims of Hurricane Katrina, and complimented Vu Mao on the "vibrant development" he noticed in Hanoi since his previous visit several years ago. Vu Mao said Vietnam is proud of the economic development results it has achieved in the 20 years since the beginning of its "Doi Moi" (renovation) policy and is in the process of reviewing those achievements in preparation for the Tenth Communist Party National Congress. Vu Mao said the National Assembly is playing a greater role in the governance of the country and has moved beyond being "the people who only say yes." He highlighted the National Assembly's oversight role, pointing out that the NA now conducts Question and Answer sessions with ministers on live television.

13. (SBU) Vu Mao volunteered the information that the NA "pays much attention to human rights and democracy," stating that the first requirement of human rights is to provide the basic necessities of life for the population. "First," he elaborated, "we must provide subsistence and social equity to the people." He said Vietnam is proud of its human rights successes, such as protecting the rights of the disadvantaged. On the question of religious freedom, Vu Mao said that in Vietnam "religious freedom is stipulated in the Constitution. People are guaranteed the right of belief and nonbelief, as well as religious practice." He said that an example of Vietnam's religious freedom can be found in the highway connecting Ho Chi Minh City and Dalat. In 300 kilometers, there are more than 64 houses of worship, including those of Catholics, Protestants, Cao Dai, Hoa Hao and other faiths. Vu Mao professed to be surprised that international critics could find fault with Vietnam's protection of religious freedom when such clear contradictory evidence is available "for viewing with your own eyes."

14. (SBU) The NA Foreign Affairs Committee Chairman approached the issue of the Vietnam War head on. He said "the war has not faded away in the hearts of the Vietnamese people, but it is in the past." Vietnam appreciates the "humanitarian spirit" of American veterans, he added, citing the return of the diary of Dr. Dang Thuy Tram by U.S. veteran Fred Whitehurst as an example of that humanitarian spirit. "In the same way," he continued, "we welcome the visit of Congressman Sam Johnson, and are glad of his goodwill." (Note: Congressman Johnson was a fighter pilot during the Vietnam War and was captured after being shot down in 1966. He spent almost seven years at the Hoa Lu Prison, aka the Hanoi Hilton. End Note.)

15. (SBU) Congressman Gillmor thanked Vu Mao for his words, and highlighted that the United States and Vietnam have

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interests in common, including trade. He said that trade is "good for both sides" and encouraged Vietnam to make progress in its negotiations with the United States on Vietnam's accession to the WTO. Vietnam should be aware, he advised, that the U.S. Congress would have to approve any trade agreement signed with Vietnam, and that approval would be based on a range of factors, not just economics. Vietnam's human rights and religious freedom record, for example, will be considered when Congress votes on Vietnam's entry into the WTO.

16. (SBU) Congressman Johnson thanked Vu Mao for the efforts the GVN has made to assist with the humanitarian effort to account for all U.S. personnel missing during the Vietnam War, which represents "a great opportunity to help families." He praised Vietnam as "much easier to deal with than China or Russia." Congressman Costello asked Vu Mao to urge the GVN to grant the U.S. request to use U.S. Navy vessels in underwater MIA recovery work. Vu Mao noted that the issue of GVN cooperation with the United States on MIA issues is sensitive for his constituents, who "always pose the question to me why the GVN doesn't put all of the attention and the resources into searching for Vietnamese MIAs." Vu Mao said that he and the GVN recognize that MIA operations are a humanitarian effort. The use of U.S. Navy ships for recovery efforts is a "technical issue for our agencies to work out," he said. One of Vu Mao's colleagues, NA Member and Chairman of the Vietnam Union of Friendship Organizations (VUFO) Vu Xuan Hong, added that Vietnam is grateful for the efforts by U.S. NGOs and veterans in assisting with the efforts to account for Vietnamese MIA personnel.

17. (SBU) Congressman Kucinich, turning to the question of trade agreements, asked Vu Mao what he thinks of trade agreements that promote the privatization of public services. Vu Mao said that in principle, Vietnam does not

agree with agreements that force the privatization of public services, but in practice, Vietnam is engaged in a process of liberalization and development of a market economy. That process, he said, involves "the reform of all sectors, including State-owned enterprises and collectivized industries." Vietnam is mostly concerned with finding the appropriate pace for modernization and reform, he said.

Deputy Prime Minister Vu Khoan

¶8. (SBU) Immediately following the meeting with Vu Mao, the Codel met with Deputy Prime Minister Vu Khoan. Congressman Gillmor opened by welcoming the progress and improvements in U.S.-Vietnam relations. Economic ties, particularly since the Bilateral Trade Agreement went into effect, are also positive, with many Vietnamese products now on sale in the United States. The ongoing bilateral trade negotiations, aimed at Vietnam's WTO accession, are important for both countries. Both the USG and the Congress are involved in these matters, and agreement between and within these branches is not always a foregone conclusion, Congressman Gillmor said.

¶9. (SBU) This congressional visit, last week's visit by EAP Assistant Secretary Christopher R. Hill and the ongoing trade negotiators' visit underscore the rapid pace of development in the U.S.-Vietnam relationship, DPM Khoan said. More importantly, during these meetings, both sides take part in a candid and open dialogue that deepens mutual understanding. Ultimately, Vietnam's interests are having good foreign relations and bringing itself out of underdevelopment and poverty. In terms of its foreign relations, Vietnam now has normal ties with all of the major powers, including the UN's P-5. The GVN attaches great importance to the relationship with the United States because it understands the important role America plays in the international arena and market. Since normalizing bilateral relations, both sides have made great efforts to expand relations in many areas and now have significant ties in politics, trade and economics, science and technology, and security. Now, stabilizing the overall bilateral relationship requires mutual cooperation.

DPM Khoan: We Need the Cooperation of Congress

¶10. (SBU) In terms of political cooperation, Vietnam looks

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forward to further bilateral exchanges, both in the executive and legislative branches, DPM Khoan continued. This year, the most important task is achieving a successful visit to Vietnam by President George W. Bush. Secondly, there must be an early conclusion to the bilateral WTO negotiations, which will bring U.S.-Vietnam economic relations to a new height. Vietnam's WTO membership is in the interest of Vietnam, but it also will benefit the United States. This year, both sides must also reach cooperative agreements in several areas, and the GVN will work closely with the Ambassador and the U.S. Executive Branch to carry this out. Finally, this year the United States and Vietnam must address their differences in such a way that they do not become obstacles to a successful visit by the President. To do all this, Vietnam "desperately requires the cooperation of the U.S. Congress," DPM Khoan stressed.

Please Grant PNTR and Lift Jackson-Vanik

¶11. (SBU) As legislators, the members of the U.S. Congress must have a far and broad vision, and in their actions they must take into account U.S. interests and make decisions that benefit bilateral ties, DPM Khoan said. The United States and Vietnam will not always agree, but they can share the same goal of maintaining good ties. In terms of

Vietnam's WTO aspirations, Vietnam needs both a positive Permanent Normal Trade Relations (PNTR) vote and a waiver of the Jackson-Vanik Amendment, both of which it hopes to achieve soon. A Jackson-Vanik waiver would also benefit the United States by making it easier for U.S. businesses to invest in Vietnam.

The Next Five Years

¶12. (SBU) By maintaining a growth rate of eight percent per year, Vietnam hopes by 2010 to leave underdevelopment behind and raise per capita GDP from its current USD 640/year to USD 1,000/year, DPM Khoan explained. Over the next five years, Vietnam also hopes to reduce poverty, perfect the market mechanism, promote administrative reform and the rule of law, fight corruption and maintain social stability. In terms of foreign relations, Vietnam attaches greatest importance to its neighbors, namely China, Laos and Cambodia. Relations with China have been better than ever since normalization in 1991. Following ties with these neighbors is Vietnam's relationship with ASEAN, and third in priority are Vietnam's relations with Asia-Pacific countries, including the United States. Vietnam will concentrate its efforts on the successful hosting of APEC 2006, but will maintain its foreign policy principles of openness, independence and sovereignty. Vietnam recognizes that the United States is a strong pole in foreign relations and looks forward to congressional support for a long-lasting and stable bilateral relationship.

China: Need Peaceful Coexistence

¶13. (SBU) In response to Congressman Gillmor's question on China's military modernization program, the DPM reiterated that Vietnam-China relations are the best ever since 1991. Quoting a Vietnamese proverb, he said that, "one can choose friends, but not neighbors," and Vietnam has to live peacefully with China. This was true over one thousand years ago and it is true today. Vietnam understands the significance of a good relationship with China, a sentiment that Canadians feel towards the United States, DPM Khoan surmised. China's development is the story of the 21st century. China is now the world's factory and will soon be the world's market. Like it or not, the Chinese will pursue their path to development, so it is best to try to work with them. Although Vietnam and China have different views on some issues, such as territorial matters in the South China Sea, Vietnam, China and ASEAN reached a Code of Conduct on maintaining the region's status quo. Vietnam hopes that the United States will support its view in this regard, DPM Khoan said.

Fullest Possible Accounting and Human Rights

¶14. (SBU) Thanking DPM Khoan for the cooperation of the GVN in our fullest possible accounting activities, Congressman

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Costello raised the USG request for U.S. Navy ships to participate in underwater recovery activities and asked for favorable consideration of this. On WTO, he noted that, when considering PNTR, the Congress will not only look at the economic angle, but also at other matters, such as human rights and religious freedom. These are issues of importance to Americans, and many citizens and members of Congress wonder why activist Dr. Pham Hong Son remains in prison.

¶15. (SBU) Fullest possible accounting cooperation is a humanitarian issue. Vietnam will work in a consistent manner with the United States on this, even though Vietnam has many missing of its own, DPM Khoan responded. To address technical issues such as that raised by the

Congressman, there is a Joint Committee, and through it both sides can work together to find a mutually agreeable solution. The question of WTO is purely an economic issue, but some Congressmen are interested in tying other matters to it. An Assistant Secretary of State for human rights (DRL A/S Lowenkron) will soon visit to participate in the Human Rights Dialogue, and both sides should be able to sit together and find an appropriate answer to matters of concern. The United States and Vietnam have different approaches to this issue, but Vietnam fundamentally cares about its own people and would never do anything to harm them. "This would be like shooting yourself in the foot," DPM Khoan explained. Members of Congress may have bad information that has led to misunderstanding, which is why exchanges such as these are so important, DPM Khoan said.

Dairy Products

¶16. (SBU) Congressman Walden noted that Nike, headquartered in his state of Oregon, has a good working relationship with Vietnam, and he welcomes this. American dairy producers, however, do not appear to enjoy the same benefits as domestic Vietnamese ones. As the Congress looks at WTO, Jackson-Vanik and PNTR, issues of concern to agricultural producers will certainly be taken into consideration, Mr. Walden said. DPM Khoan responded that Vietnam seeks to have good relations with individual states and would welcome future delegations. Because Vietnam is an agricultural nation, agriculture is a major issue, but, as a poor country, it does not subsidize farmers the way the Europeans do. Vietnam is willing to open its agricultural market, but the issue of agricultural tariffs is not a matter to be addressed in the current WTO negotiations. Dealing with them in a Free Trade Agreement may be a next step. Australia and New Zealand have similar concerns about dairy products' market access, and if Vietnam can satisfy their worries, then it can satisfy U.S. worries as well, DPM Khoan explained.

Agriculture Policy

¶17. (SBU) Responding to Congressman Kucinich's question about GVN agricultural policy, particularly how Vietnam seeks to maintain its agricultural traditions, DPM Khoan noted that 70 percent of the population lives in rural areas and that agriculture makes up 28 percent of GDP. Rural development is Vietnam's highest priority, and the quick pace of urban migration is a big issue. Vietnam's policy is to discourage farmers from leaving their home regions, and to that end the GVN is making efforts to promote agricultural processing, such as poultry and dairy products. U.S. cooperation in this area would be welcome, and one U.S. firm has had some success in helping with cocoa planting, DPM Khoan said.

Shrimp and Catfish

¶18. (SBU) Congressman Jindal opened by thanking the GVN and the people of Vietnam for their generosity in responding to the Hurricane Katrina disaster. DPM Khoan conveyed his sympathies and noted that, with the large numbers of ethnic Vietnamese directly affected by the hurricane, it was as if Katrina had hit Vietnam too. On the subject of the catfish and shrimp dumping cases, Mr. Jindal welcomed the handling of these cases through normal mechanisms and urged Vietnam to continue to work with the United States on ways to solve their differences. DPM Khoan said that whatever actions are

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taken should not damage the confidence in free trade of those who participate in Vietnam's aquaculture industry. They are already very disadvantaged and receive no money from the GVN, DPM Khoan said.

¶19. (SBU) Congressman Gillmor concluded by noting that, although the United States and Vietnam have a number of differences, there are many more areas in which the countries are in agreement.

National Assembly Chairman An

¶20. (SBU) Welcoming the delegation later in the day, National Assembly President Nguyen Van An (who was joined by Vice Minister of Trade Tu and Assistant Minister of Foreign Affairs Hung) described 2005 as marking an important milestone in the development of U.S.-Vietnam relations, with the two countries celebrating significant anniversaries. 2006 will also be important, particularly because of President Bush's scheduled visit in November. Congressman Gillmor noted the great progress the two countries have made in developing their relationship, particularly in the area of trade. The BTA had succeeded in bringing the United States and Vietnam closer together economically, and two-way trade is on the rise. With bilateral WTO negotiations taking place, both sides are keenly aware of the importance of Vietnam's WTO accession. When a deal is finally reached, a majority of Congress must give its approval. In the case of a trade agreement, it must be clear that it benefits both sides, and the clearer this is, the easier it will be for Congress to pass it. The goal of the U.S. Congress is to have long-term and friendly relations with Vietnam, and Congress hopes to see a trade agreement that will help to advance the relationship.

Fullest Possible Accounting: Central Highlands

¶21. (SBU) Representative Johnson described the importance of continuing cooperation in fullest possible accounting and thanked Vietnam for allowing activities to take place in the Central Highlands. Cooperation between the militaries of both countries is very good, and he urged Vietnam to continue to allow access to that region. President An responded that Vietnamese cooperation in accounting activities reflects the love and tolerance of the Vietnamese people and leadership, and GVN policy is for these activities to continue.

WTO

¶22. (SBU) Responding to Congressman Kucinich's question about how Vietnam views the WTO and its role and influence in the world, President An said that global economic integration and WTO accession are the great aspirations of the Vietnamese people. The U.S.-Vietnam BTA is an important foundation of the ongoing bilateral trade negotiations with the United States. Vietnam has concluded its bilateral WTO negotiations with 22 partner countries, and only six remain, of which the United States is one. Every country wants to protect its interests, and the United States and Vietnam are no different, but there is no reason for the United States not to conclude its talks with Vietnam when the EU, Japan and South Korea have already done so. The biggest obstacle is that the United States is mandating tougher requirements for Vietnam than in the BTA or with other countries during previous negotiations. President An requested that the Codel return to the United States and tell the American people and Congress that American conditions are too high. There is no reason for the United States to set such high conditions, which are even higher than those set by the EU and others.

¶23. (SBU) In the past, the Vietnamese people always believed that Americans were beautiful people, particularly after the First and Second World Wars, President An continued. Only after the United States sent troops to Vietnam did that view change. Vietnam will always highly regard the American Revolution. After all, Vietnam's own Declaration of Independence has a direct quote from the American

Declaration of Independence. Vietnam respected the decision of Congress during the Vietnam War to withdraw troops. That was a wise decision

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¶24. (SBU) U.S.-Vietnam political relations are very important, as are relations in the areas of trade and economics, education, science and technology, defense and security, President An said. Vietnam hopes that both sides will work together to build a strong relationship not just for the sake of the two countries, but also for regional and global peace and stability. Historically, Vietnam has never sent troops to the United States, but of course the United States has sent troops to Vietnam. After 1975, the U.S. embargo policy against Vietnam was wrong and slowed down the development of bilateral relations. The United States seems to be taking the same slow steps by setting high conditions on Vietnam's WTO entry, President An surmised.

Dry Milk Protein Standards

¶25. (SBU) In response to Representative Walden's question about why Vietnam's treatment of U.S. dry milk protein is stricter than that of Japanese dry milk protein, Vice Minister of Trade Tu explained that Vietnam and Japan have negotiated a General System of Preferences (GSP) agreement on the basis of reciprocity. However, there is no GSP in the U.S.-Vietnam BTA. Perhaps in the future the United States and Vietnam could sign a GSP agreement, VMOT Tu observed.

Vietnam Would Like To See Increased Exchanges

¶26. (SBU) Vietnam and the United States should continue to work to develop new and better relations, President An said. Vietnam will never threaten the security of the United States or even Vietnam's own neighbors. It will always respect the sovereignty and territorial integrity of those around it and will listen to the views of others while staking its own place in the world. To promote greater bilateral trust, Vietnam and the United States should increase the number of their exchanges and contacts, both between leaders and average citizens. This should include cooperation and exchanges between the U.S. Congress and the National Assembly. President An also requested U.S. assistance in promoting Vietnamese "human resource training" to allow Vietnam to adapt more easily to the global knowledge economy. Vietnam still suffers from the consequences of the war, including Agent Orange, and hopes for greater U.S. cooperation in addressing this. Vietnam is already very grateful for U.S. support in combating and preventing HIV-AIDS and avian influenza. Representative Gillmor pledged to carry President An's ideas and requests back to Washington and closed by noting that, although bilateral differences remain, the areas of agreement between the two countries are far greater.

Comment

¶27. (SBU) Although the overall atmosphere of these three calls was positive and cooperative, National Assembly President An's strident hectoring of the United States struck a discordant tone. With the Communist Party's Central Committee Plenum beginning to wrap up, and the Party Congress only a few months away, it is possible that President An's audience was somewhere outside the room. End Comment.

¶28. (U) Codel Gillmor cleared this message.

BOARDMAN